Christine A. Cappiello
Director
Government Relations

Anthem Blue Cross and Blue Shield
370 Bassett Road
North Haven, CT 06473
Tel 203 985-6360
Fax 203 234-5157
christine.cappiello@anthem.com

Anthem.

February 21, 2007

Statement
Of
Anthem Blue Cross and Blue Shield
On
HB 5308 An Act Establishing Standards in Contracts Between Health Insurers and Physicians and
HB 6841 An Act Concerning Standards in Contracts Between Health Insurers and Physicians

Good Morning Senator Handley, Representative Sayers and members of the Public Health Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in Connecticut. I am here today to speak strongly against **HB 5308 An Act Establishing Standards in Contracts Between Health Insurers and Physicians and HB 6841 An Act Concerning Standards in Contracts Between Health Insurers and Physicians.**

We are strongly opposed to **HB 5308 and HB 6841**. This bill would substantially change our rights of contract with providers, and would unnecessarily increase administrative costs. While the requests in these bills seem simple, they would require us to recontract with our more than 5000 physicians and throw our contracting process into a tail spin at a moments notice if those physicians decided not to sign the contract when we did need make a change. Changes that might be out of our control, for instance, like those from Medicare or Medicaid, etc.

I might also add that the subject of this bill is steeped in recent agreements between ourselves and the physician community.

To begin, in July 2005, Anthem entered into comprehensive business practice commitments that Anthem has undertaken in the settlement of several nation-wide class action lawsuits (the "MDL" suits) brought by physicians against Anthem and other health insurers. Those settlements, as stated before, were very comprehensive and are scheduled to take effect at different times during the next couple of years with several points already being implemented.

Further, last year the Insurance Committee passed **House Bill 5189 An Act Requiring The Disclosure of Fee Information By Health Insurers**. This bill, which we negotiated in good faith with the physician community, requires us to produce the fee schedules that are most commonly used by that physician in order to determine payment. It also requires us to disclose fees that are occasionally used by a physician to also determine payment. The reason for only disclosing the fees that apply to that physician is because there are thousand and thousands of codes(and payment information) that a doctor would never use, for instance a orthopedic surgeon would never use a code for a service generally done by a eye physician and the only reason a physician would want that information is to know what other physicians are being paid – a fact that they could use to potentially use as a bargaining ploy against the health plan.

That same public act also established a task force that is established by the Insurance Committee chairs. That group has had one meeting since the passage of the bill and is scheduled to have another one in March.

It appears to us that these bills are seeking to renegotiate what was passed last year that the physicians may have felt was not given to them in the final negotiation. We respectfully request that Public Health Committee reject these bills and allow the bill last year to take affect and to allow for the MDL settlements to also take affect as well.